

NATIONAL RECOVERY ADMINISTRATION

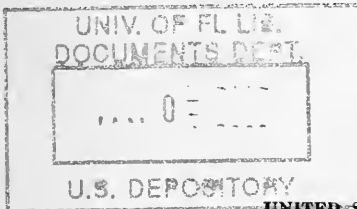
SUPPLEMENTAL
CODE OF FAIR COMPETITION

FOR THE

ADVERTISING
METAL SIGN AND DISPLAY
MANUFACTURING INDUSTRY

(A Division of the Fabricated Metal Products
Manufacturing and Metal Finishing
and Metal Coating Industry)

AS APPROVED ON APRIL 20, 1934



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SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

**ADVERTISING METAL SIGN AND DISPLAY
MANUFACTURING INDUSTRY**

As Approved on April 20, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
ADVERTISING METAL SIGN AND DISPLAY MANUFACTURING INDUSTRY**

**A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND
METAL FINISHING AND METAL COATING INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, and in accordance with Section 1 of Article VI of the Basic Code for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved November 2, 1933, for approval of a Supplementary Code of Fair Competition for the Advertising Metal Sign and Display Manufacturing Industry; and hearings having been duly held thereon; and the annexed report on said Supplementary Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Supplementary Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Supplementary Code of Fair Competition be and it is hereby approved. This Order and approval shall take effect fifteen (15) days after the effective date unless good cause to the contrary be shown to the Administrator in Room 4217, Commerce Building, Washington, D. C., before that time and the Administrator issues a subsequent order to that effect.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. R. GLANCY,
Division Administrator.

WASHINGTON, D.C.,
April 20, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Advertising Metal Sign and Display Manufacturing Industry, a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, and on the hearing conducted thereon in Washington, D.C., March 30, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Advertising Metal Sign and Display Manufacturing Industry, being truly representative of this division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, has elected to avail itself of the option of submitting a Supplementary Code of Fair Practice as provided for in Section 1 of Article VI of the Basic Code, for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry approved by you on the second day of November, 1933.

RÉSUMÉ OF THE CODE

Article I states the purpose of the Supplementary Code.

Article II accurately defines specific terms employed in the Supplementary Code.

Article III. This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and the labor provisions of the Basic Code, as approved November 2, 1933, are the labor provisions of this Supplementary Code.

Article IV, establishes a Supplementary Code Authority consisting of six (6) members of the Advertising Metal Sign and Display Manufacturing Association or its successor, and one (1) member chosen from the Industry by the vote of the members thereof, and gives the Administrator the authority to appoint one (1) additional member without vote and provides machinery for obtaining statistics and the administration of the Supplementary Code.

Article V sets forth the cost provisions of this Supplementary Code.

Article VI sets forth the fair trade practices of this Supplementary Code which has been especially designed to effect fair competition in this division of the Industry.

Article VII contains the mandatory provisions contained in Section 10 (b) of the Act and also provides for the submission of proposed amendments to the Code.

Article VIII provides against monopolies and monopolistic practices.

Article IX sets forth that price increases be limited to actual additional increases in sellers' costs.

FINDINGS

The Deputy Administrator in his final report to me on said Supplementary Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) Said Supplementary Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Supplementary Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is an industrial association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Supplementary Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Supplementary Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Supplementary Code.

The Industry requested that it be included under the Code of Fair Competition for the Marking Devices Industry, and this was considered at a Public Hearing in connection with certain proposed amendments to the Marking Devices Industry Code. Later the Industry felt it should come under the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and a Public Hearing was held March 30, 1934, to consider and decide this request. I have placed a fifteen (15) day stay on my approval in order that all interested persons shall have due notice of my approval and an opportunity to protest.

Respectfully,

HUGH S. JOHNSON, *Administrator.*

APRIL 20, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE ADVERTISING METAL SIGN AND DISPLAY MANUFACTURING INDUSTRY

A DIVISION OF THE FABRICATED AND METAL PRODUCTS MANUFACTURING AND METAL FINISHING AND METAL COATING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, this Code is established as a Supplementary Code of Fair Competition for the Advertising Metal and Display Manufacturing Industry. Pursuant to Article VI of the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved by the President on the 2nd day of November, 1933, the provisions of this Supplementary Code shall be the standards of fair competition of such industry and shall be binding upon every member of the Industry.

ARTICLE II—DEFINITIONS

SECTION 1. The term "The Advertising Metal Sign and Display Manufacturing Industry" or "Industry" is defined to mean the manufacturing of advertising signs and advertising or merchandising displays which are fabricated entirely, or in substantial part, of metal processed or decorated with lacquers, paint, inks, or other similar materials by means of production methods ordinarily used in the making of metal signs or displays in quantities of like size and design. It shall also be defined to cover and include the making and/or the furnishing of incidental signs and display accessories, such as erecting materials, brackets, supplementary imprint panels, and lettering of imprints, without limitation of number.

SEC. 2. The term "Member of the Industry" as used herein includes, but without limitation, any individual, partnership, association, corporation, or other form of enterprise engaged in the Industry, either as an employer or on his or its own behalf.

SEC. 3. The term "employee" as used herein includes any and all persons engaged in the Industry, however compensated, except a member of the Industry.

SEC. 4. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

SEC. 5. The terms "Act" and "Administrator" as used herein mean, respectively, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

SEC. 6. The term "President" as used herein means the President of the United States.

SEC. 7. The term "Basic Code" as used herein means the Basic Code of Fair Competition for the Fabricated Metal Products Manu-

facturing and Metal Finishing and Metal Coating Industry, approved by the President of the United States on the 2nd day of November, 1933.

SEC. 8. The term "Supplementary Code Authority" as used herein shall mean the agency which is to administer this Supplementary Code, as hereinafter provided.

SEC. 9. The term "Supplementary Code Authority's Agency" as used herein shall mean the Secretary of the Advertising Metal Sign and Display Manufacturer's Association or his successor, or any other person whom the Supplementary Code Authority may designate.

SEC. 10. The term "Association" as used herein shall mean the Advertising Metal Sign and Display Manufacturer's Association or its successor.

SEC. 11. The term "Federation" as used herein shall mean the Fabricated Metal Products Federation or its successors.

ARTICLE III—LABOR PROVISIONS

SECTION 1. This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and without limitation the wage, hours and labor provisions in Article III of its Basic Code as approved by the President on November 2nd, 1933, including Section 1 of said Article III by which the provisions of Sub-Sections (1) (2) and (3) of Section 7 (A) of Title I of the Act are made conditions of the Code, are specifically incorporated herein and made a part hereof as the wage, hour and labor provisions of this Supplementary Code.

ARTICLE IV—ADMINISTRATION

SECTION 1. Pending the selection of the permanent Supplementary Code Authority, which shall be made, as hereinafter provided, within sixty (60) days following the effective date of this Supplementary Code, the Code Committee of the Association shall constitute a temporary Supplementary Code Authority.

SEC. 2. A permanent Supplementary Code Authority is hereby established, consisting of seven (7) members to be selected within the above mentioned sixty (60) day period and to be elected in the following manner:

(a) Six (6) members of such Supplementary Code Authority, who shall be members of the Industry and members of the Association, shall be nominated and elected by the members of the Association.

(b) One (1) member of such Supplementary Code Authority, who shall be a member of the Industry and a non-member of the Association (provided that there are such members of the Industry who are not members of the Association) shall be nominated and elected by the members of the Industry who are non-members of the Association.

Members of the Supplementary Code Authority shall be nominated and elected at a meeting called by the temporary Supplementary Code Authority, upon thirty (30) day's notice by mail to all known members of the Industry, who may vote in person or by proxy, or by letter ballot. Each member of the Industry shall have one vote, and the election shall be by a majority of the ballots cast.

In the event that the non-members of the Association fail to nominate and elect such non-association member of the Supplementary Code Authority, such member shall be nominated and elected by the members of the Industry, then present in person or by proxy.

The members of the Supplementary Code Authority first selected shall serve until the time of the following annual meeting of the Association. Thereafter, members of the Supplementary Code Authority shall be nominated and elected at a meeting of the Industry held at the same time and place as the annual meeting of the Association, and shall serve for a period of one year or until their successor shall qualify.

It shall be the duty of the Supplementary Code Authority to give thirty (30) days notice, by mail, to all known members of the Industry, of the time and place of such meetings of the Industry.

Vacancies occurring in the membership of the Supplementary Code Authority shall be filled by a majority vote of the remaining members of the Supplementary Code Authority.

In addition thereto, the Administrator may appoint one member of the Supplementary Code Authority who shall be without vote.

SEC. 3. Each trade or industrial association directly or indirectly participating in the selection or activities of the Supplementary Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its Articles of Association, by-laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SEC. 4. In order that the Supplementary Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Supplementary Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification of the method of election of the Supplementary Code Authority.

SEC. 5. Members of the Industry shall be entitled to share the benefits of the activities of the Supplementary Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Supplementary Code and sustaining their reasonable share of the expenses of its administration. Such reasonable share of the expenses of administration shall be determined by the Supplementary Code Authority subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable.

SEC. 6. Nothing contained in this Supplementary Code shall constitute the members of the Supplementary Code Authority partners for any purpose. Nor shall any members of the Supplementary Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Supplementary Code Authority. Nor shall any member of the Supplementary Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Supplementary Code, except for his own willful malfeasance or non-feasance.

SEC. 7. If the Administrator determines that any action of the Supplementary Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Supplementary Code Authority or agency, pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

POWERS AND DUTIES

SEC. 8. The Supplementary Code Authority shall have the following further powers and duties:

(a) Subject to such rules and regulations as may be prescribed by the Administrator to adopt by-laws, rules and regulations for its procedure and for the administration of the Supplementary Code.

(b) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Supplementary Code Authority of its duties or responsibilities under this Supplementary Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(c) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair trade practices to govern the relationship between production and distribution employers under this code and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Supplementary Code and such other Codes.

(d) To cooperate with the Administrator in regulating the use of the N.R.A. Insignia solely by those employers who have assented to and are complying with this Supplementary Code.

(e) To initiate, consider, and make recommendations for the modification or amendment of this Supplementary Code.

(f) To obtain from members of the industry such information and reports as are required for the administration of the Supplementary Code. In addition to information required to be submitted to the Supplementary Code Authority, members of the industry subject to this Supplementary Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as he may designate; provided, that nothing in this Supplementary Code shall relieve any member of the industry of any existing obligations to furnish reports to any government agency. No individual report shall be disclosed to any other member of the industry or any other party except to such other governmental agencies as may be directed by the Administrator.

(g) To secure from members of the industry an equitable and proportionate payment of the reasonable expenses of maintaining the Supplementary Code Authority and its activities.

ARTICLE V—COSTS

The Supplementary Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the industry. After such system and methods have been formulated and approved by the Administrator, full details concerning them shall be made available to all members. Thereafter all members shall determine and/or estimate costs in accordance with the principles of such methods.

ARTICLE VI—TRADE PRACTICES

The following Acts as described supersedes Article V of the Basic Code and shall constitute Unfair Methods of Competition and are prohibited.

SECTION 1. *Selling Below Cost.*—The selling of products below the cost thereof except to meet the selling price of any lower cost producer or importer who is not violating the provisions of the Basic Code or this Supplementary Code. Costs in all cases shall be determined in accordance with a system of accounting as referred to in Article V.

SEC. 2. *Secret Rebates.*—Withholding from, or inserting in any invoice a false record, wholly or in part, of the transaction represented on the face thereof, and the payment or allowance of secret rebates, secret refunds, secret credits, unearned discounts (whether in the form of money or otherwise).

SEC. 3. *Defamation.*—Defaming competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or by the false disparagement of the grade or quality of their goods.

SEC. 4. *Usurpation.*—To imitate or simulate the trade mark, trade name, package, wrapper, or label of a competitor's product to such a degree as to deceive or have a tendency to deceive customers.

SEC. 5. *Commercial Bribery.*—Giving, permitting to be given, or directly offering to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising, except so far as such articles are actually used for commercial bribery, as hereinabove defined.

SEC. 6. *False Marking and Branding.*—False marking or branding of any product of the Industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or otherwise.

SEC. 7. *Misrepresentation or False Misleading Advertising.*—Making, causing, or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality,

quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or the credit terms, values, policies, or services of any member of the Industry, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

SEC. 8. *Giving of Guarantees.*—Since no guarantees as to the durability of the Industry's products are made by reputable paint or other supply houses in respect to materials purchased for this Industry's products, and, further, since this Industry has no control over climatic or atmospheric conditions or places where its products are distributed, no member of the Industry shall guarantee the durability of any product of the Industry; provided, however, that nothing in this Section 8 shall be construed to prevent reasonable guarantees as to workmanship.

SEC. 9. *Estimating.*—Estimating the cost of framed or unframed metal signs on a square foot basis. Each size of metal signs shall be figured on its own merits, accordingly to the material required.

SEC. 10. *Quotation.*—Permitting any salesman to represent a member of the Industry without designating to the salesman the minimum selling price to all buyers of the Industry's products.

SEC. 11. *Terms.*—Granting terms other than net cash thirty (30) days or, if discount is allowed, such discount shall not be in excess of one (1%) percent for cash, in ten (10) days or within such period as a customer uniformly discounts his bills. All goods shall be sold F.O.B. point of manufacture with no freight allowance or equalization and where a customer insists upon a delivered price, full transportation charges shall be included in the selling price.

ARTICLE VII—MONOPOLIES

No provision of this Supplementary Code shall be so applied to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE VIII—MODIFICATIONS

SECTION 1. This Supplementary Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of Subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

SEC. 2. Such of the provisions of this Supplementary Code as are not required to be included therein by the Act may, with the approval of the Administrator, be modified in such manner as may be indicated by the needs of the public, by changes in circumstances, or by experience. Such modification to be based upon application to the Administrator after such notice and hearing as he may specify; and become effective on approval by the President.

ARTICLE IX—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that a price increase except such as may be required to meet individual cost should be delayed, but when made, such increase should, so far as possible, be limited to actual increase of the seller's cost.

ARTICLE X—EFFECTIVE DATE

This Supplementary Code shall become effective at 12:01 A.M., on the tenth day after its approval by the President.

Approved Code No. 84—Supplement No. 17.
Registry No. 1702-2-06.

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